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DEVELOPMENT
PROGRAMME

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
ARGENTINA

IPF:(1992-96) $11 090 000

(ARG/93/027) - Support to the Programme for Administration of Government Property

Date of approval by the AC:[1/]	23 June 1993
Expected duration:	18 months
Proposed executing agency:	Government
Government implementing agency:	Subsecretaria de Administracion de Bienes (Ministerio de Economia)
Proposed UNDP contribution:	Nil
Government cost sharing:	$ 2 987 700
Total UNDP budget:	$ 2 987 700

Project background

Within the context of the ongoing privatization process, the Government of Argentina is developing a programme for the sale, disposal and/or profitable administration of the properties and the land belonging to public enterprises and/or the central administration, no longer required for their respective functions. With the objective of promoting the sale,disposal or write-off of such Government property, the Government has issued Decree No. 407/91 whereby it has established rules and procedures to regulate this process.

Among the properties to be disposed of, special mention is made of the buildings and land owned by the Argentine Railroad Company. Considering that railroad development in Argentina was mainly carried out by independent enterprises (both public and private), each of them purchased the plots of land necessary for establishing stations, parkings, premises, warehouses, while some other plots were reserved for possible expansion which did not always materialize.

The existence of competing railway companies and their independent operations both in technical and operative aspects, has given rise to a complex system of railways, stations and general infrastructure , especially in large cities and ports where the main railway lines converge. The consolidation of the Argentina railways system into one public national enterprise and the simultaneous development of alternative means of transport have led to surplus capacity compared to traffic requirements. Within the framework of the programme for Public Enterprises Reform (IBRD loan 3292-AR, U$S 23.000.000), the Ministry of Economy recently hired an international consulting firm to carry out the following analysis: (a) identify un- or underutilized properties/land belonging to the public enterprises as well as to the central administration; and (b) determine surplus capacity under the ownership of

[1/] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

the railroad company.

Description of project

The development objectives of the project are to: (a) streamline the Argentine public sector, in particular the rationalization of the State's ownership of properties and land; (b) help generate resources; and (c) reduce the cost of maintaining the physical infrastructure.

The immediate objective of the project is to cost and time efficiently the disposal, rent, concession and/or development of un- and underutilized properties and land through UNDP technical assistance.

Project activities will include: (a) identification of public properties that could be subject to immediate disposal (sale, rental or utilization for other purposes); (b) development of an integrated computerized system to have immediate access to information related to these properties; (c) identification of legal actions necessary to carry out disposals; (d) revision of the above real estate registry documentation and definition of the actions to be taken for ascertaining the availability of the different properties; (e) securing accurate quotations to determine appropriate sale, rental or concession values; (f) sale, rent or concession effected; (g) implementation of adequate records and administrative controls for each operation; and (h) identification of those properties that could be utilized for development projects.

Inputs

UNDP will provide for national professionals in fields such as systems analysis, institutional relationships, accountancy, and development projects; subcontracts to identify un- or underutilized properties/land to determine surplus capacity of the railroad company; expendable equipment; and miscellaneous costs.

Financial data

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Personnel	1 635 500
Subcontract	1 320 000
Equipment	25 000
Miscellaneous	7 200
Total	2 987 700

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